



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
APRIL 2011***

The Central Bank of Nigeria Economic Report is designed for the dissemination of financial and economic information on the Nigerian economy on current basis. The Report analyses developments in the financial, fiscal, real and external sectors of the economy, as well as international economic issues of interest. The Report is directed at a wide spectrum of readers including economists and financial analysts in government and the private sector, as well as general readers.

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1.0 Summary

Growth in the key monetary aggregate trended upwards in the month of April. On month-on-month basis, broad money (M2) grew marginally by 2.1 per cent, compared with the increase of 0.5 per cent, at the end of the preceding month, due largely to the 10.2 and 4.9 per cent increase in domestic credit (net) and other assets (net) of the banking system. Narrow money (M1) also rose by 3.5 per cent over the level at the end of the preceding month. Relative to the level at end-December 2010, M2 grew by 3.2 per cent, owing, largely, to the increase of 17.8 per cent in other assets (net) of the banking system. Reserve money, however, declined by 0.6 per cent from its level in the preceding month.

Available data indicated a general increase in banks' deposit and lending rates. The spread between the weighted average term deposit and maximum lending rates widened marginally from 17.8 per cent in the preceding month to 18.6 per cent in April 2011. Similarly, the margin between the average savings deposit and maximum lending rates widened from 20.6 per cent in the preceding month to 21.4 per cent. The weighted average interbank call rate increased to 10.8 per cent from 9.3 per cent recorded in the preceding month, reflecting the tight liquidity condition in the interbank funds market during the month.

The value of money market assets outstanding at end-April 2011 was ₦4,860.62 billion, representing an increase of 5.6 per cent, compared with an increase of 2.5 per cent at end-March 2011. The development was attributed to the 6.8, 5.3 and 4.2 per cent rise in the value of FGN Bonds, Bankers Acceptances and Nigerian Treasury Bills, respectively. Activities on the Nigerian Stock Exchange (NSE) in April 2011 were bullish, as all the major indicators trended upward.

Gross federally-collected revenue in April 2011 was estimated at ₦781.84 billion, representing an increase of 30.6 and 37.5 per cent over the proportionate monthly budget estimate and the receipts in the corresponding period of 2010, respectively. At ₦621.53 billion, gross oil receipts, which constituted 79.5 per cent of the total revenue, exceeded the proportionate monthly budget revenue estimate and the receipts in the corresponding period of 2010 by 49.7 and 56.6 per cent, respectively. Relative to the preceding month's level, oil receipts declined by 15.8 per cent due, largely, to

the reduction in volume of crude oil production at the time of lifting. Non-oil receipts, at ₦160.31 billion or 20.5 per cent of the total gross receipts was lower than the proportionate monthly budget estimate for 2011 and receipts in the preceding month by 12.6 and 6.7 percent, respectively. The shortfall relative to the proportionate monthly budget estimate reflected largely, the significant decline in its components with the exception of value-added tax. Federal Government estimated retained revenue in April 2011 was ₦193.04 billion, while total estimated expenditure was ₦310.63 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦117.59 billion, compared with the monthly budgeted deficit of ₦136.91 billion for the review month.

The dominant agricultural activities in April 2011 were; planting and harvesting of tree crops and vegetables, as well as preparation of land for the 2011 cropping season. In the livestock sub-sector, farmers intensified the re-stocking of broilers and layers to replenish sales during Easter season. Crude oil production, including condensates and natural gas liquids in April was estimated at 2.12 million barrels per day (mbd) or 63.6 million barrels for the month. Crude oil export was estimated at 1.67 mbd or 50.1 million barrels for the month, while deliveries to the refineries for domestic consumption remained at 0.45 mbd or 13.5 million barrels. The average price of Nigeria's reference crude, the Bonny Light (370 API), estimated at US\$126.91 per barrel, increased by 6.7 per cent over the level in the preceding month.

The end-period headline inflation rate (year-on-year), in April 2011, was 11.3 per cent, compared with 12.8 per cent at the end of the preceding month. Inflation rate, on a twelve-month moving average basis, declined by 0.3 percentage point to 12.7 per cent from the level in the preceding month.

Foreign exchange inflow and outflow through the CBN in January were US\$2.50 billion and US\$3.44 billion, respectively, and resulted in a net outflow of US\$0.94 billion. Foreign exchange sales by the CBN to the authorized dealers amounted to US\$3.11 billion, showing a decline of 24.9 per cent below the level in the preceding month, but an increase of 26.1 per cent over the level in the corresponding period of 2010.

The average Naira exchange rate vis-à-vis the US dollar at

the WDAS depreciated from the preceding month's level by 0.9 per cent. It, however, appreciated at both the bureaux-de-change and interbank segments by 0.03 and 0.4 per cent over the levels in the preceding month, respectively.

Non-oil export earnings by Nigerian exporters declined by 5.6 per cent from the level in the preceding month to US\$154.40 million. The development was attributed, largely, to the fall in the prices of the commodities traded at the international market during the period.

World crude oil output in April 2011 was estimated at 88.6 million barrels per day (mbd), while demand was estimated at 87.5 million barrels per day (mbd), representing an excess supply of 1.1 mbd, compared with 89.05 and 86.37 mbd supplied and demanded, respectively, in the preceding month. The OECD countries remained the key contributors to the increase in world crude oil demand, led by Europe and parts of North America, as well as China and other emerging economies.

Other major international economic developments and meetings of relevance to the domestic economy during the review month included: The proposal by the African Development Bank (AfDB) that policy makers in African countries, including Nigeria, should develop 'Diaspora Bond' instruments to enable citizens' resident abroad to participate in home country's financial market. A joint report titled "Leveraging Migration for Africa: Remittance, Skills and Instruments" jointly signed by the AfDB and World Bank inferred that Africa can potentially raise USD5-10.0 billion annually in Diaspora Bonds, which can further improve access of African banks to international capital markets.

The 2011 Spring Meetings of the Board of Governors of the World Bank Group and the International Monetary Fund (IMF) was held in Washington DC from April 11-17, 2011. Other meetings, seminars, conferences and events were held on the fringes of the Spring Meetings. The ministers of the Inter-governmental Group of 24 (G-24), the International Monetary and Finance Committee and the Development Committee discussed a number of issues relating to the global economy, surveillance, capital flows, reform of the Bretton Wood Institutions (BWIs), climate finance, post-crisis growth, among others.

Furthermore, the G-20 met ahead of the IMF/World Bank

Spring meetings in Washington DC to deliberate on post-crisis growth. The meeting noted with concern that the US, China and five other large economies would face deeper scrutiny from their peers to ensure their policies don't derail a global expansion that could be strong enough to absorb recent shocks. According to the meeting, the seven aforementioned countries had an average GDP greater than 5.0 per cent of that of the group of 20 nations, and so carry "the greater potential for spill-over effects".

Finally, the Economic Community of West African States (ECOWAS), West African Monetary Agency (WAMA) and the West African Monetary Institute (WAMI) joint Multilateral Surveillance Mission to Nigeria was conducted from April 4 - 8, 2011. The purpose of the mission was to assess performance in 2010 as against the Macroeconomic Convergence Criteria as well as policy harmonization and institutional framework required for the establishment of economic and monetary union in the ECOWAS region.

2.0 *Financial Sector Developments*

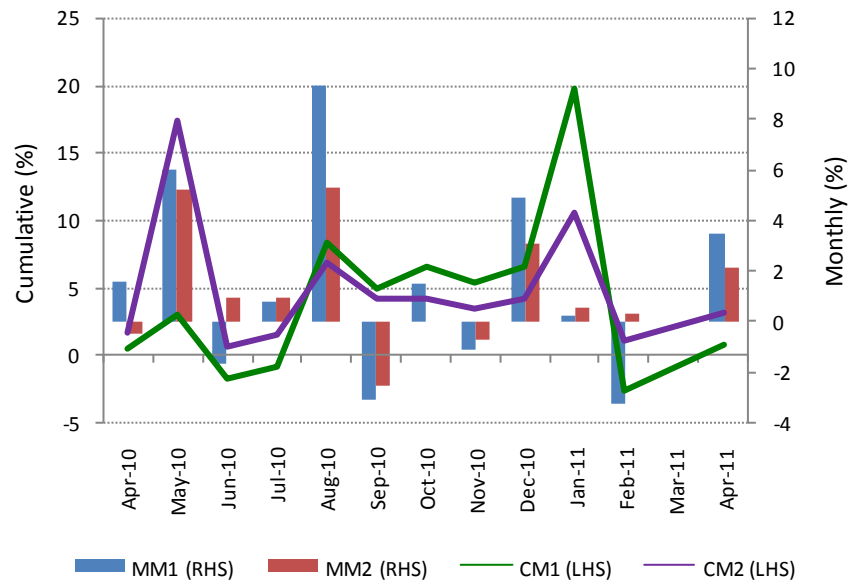
2.1 Monetary and Credit Developments

Growth in the major monetary aggregate trended upwards at the end of the review month. Similarly, Money market interest rates in all segments of the market also trended upward during the month. The value of money market assets outstanding increased, owing, largely, to the rise in the value of Bankers' Acceptances (BAs), FGN Bonds and NTBs. Transactions on the Nigerian Stock Exchange (NSE) were bullish as all the major market indicators trended upward during the review month.

Growth in the key monetary aggregate trended upwards in April

Provisional data indicated that growth in the major monetary aggregate trended upwards at end-April 2011, relative to the level in the preceding month. On month-on-month basis, broad money supply (M_2), at ₦11, 898.96 billion, rose by 2.1 per cent, compared with the increase of 0.5 per cent, at the end of the preceding month. The development was accounted for, largely, by the 10.2 and 4.9 per cent increase in domestic credit (net) and other assets (net) of the banking system. Similarly, narrow money supply (M_1), at ₦5,616.6 billion, rose by 3.5 per cent, compared with the increase of 0.7 per cent at the end of the preceding month. Quasi-money rose by 0.9 per cent, compared with the increase of 0.4 per cent in the preceding month. Relative to the level at end-December 2010, M_2 grew by 3.2 per cent, owing, largely, to the increase of 17.8 per cent in other assets (net) of the banking system. Correspondingly, the 0.8 per cent growth in monetary liabilities was due, largely, to the 5.4 per cent increase in currency outside the banking system.

Figure 1: Growth Rate of Narrow Money (M₁) and Broad Money, (M₂)¹



At ₦8,656.5 billion, aggregate banking system credit (net) to the domestic economy rose by 10.2 per cent, on month-on-month basis, in contrast to the decline of 3.5 per cent at the end of the preceding month. The development reflected, largely, the increase of 54.2 per cent in claims on the Federal Government. Relative to the level at end-December 2010, aggregate banking system credit (net) to the domestic economy, however, declined by 0.6 per cent, due to the fall in claims on the other (core) private sector.

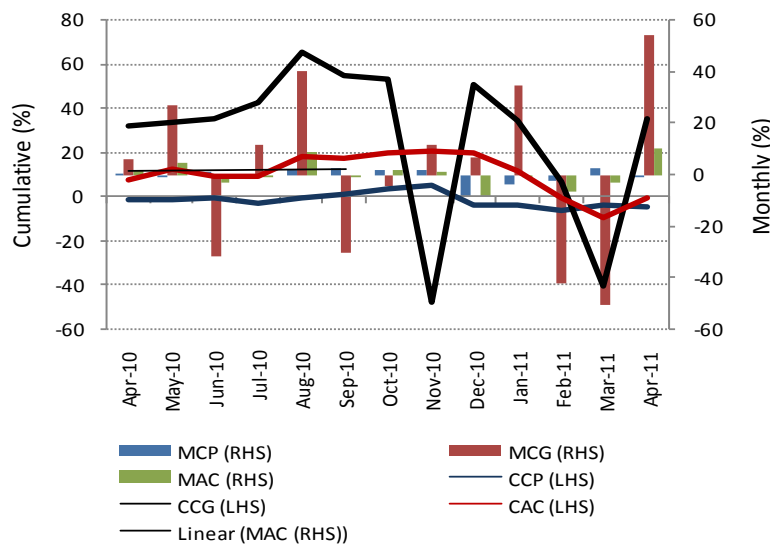
Banking system's credit (net) to the Federal Government, on month-on-month basis, rose by 54.2 per cent to negative ₦720.0 billion, in contrast to the decline of 50.8 per cent at the end of the preceding month. The development was attributed to the increase in banking system's holding of Federal Government securities. Over the level at end-

¹ MM1 and MM2 represent month-on-month changes, while CM1 and CM2 represent cumulative changes (year-to-date).

December 2010, aggregate banking system's claims (net) on the Federal Government rose by 35.8 per cent. The Federal Government, however, remained a net lender to the banking system at the end of the review month.

Banking system's credit to the private sector fell by 0.5 per cent to ₦9,376.5 billion from the preceding month's level, in contrast to a rise of 2.7 per cent at end-March 2011. Similarly banking system's claims on the core private sector declined by 0.4 per cent to ₦9,012.3 billion, in contrast to the increase of 2.6 per cent in the preceding month. The development reflected wholly the fall in the DMBs' claims on the sector. Relative to the level at end-December 2010, banking system's credit to the private sector fell by 4.6 per cent, owing largely to the decline in DMBs claims on the sector (Fig. 2, Table 1).

Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy²



² MCP, MCG and MAC represent month-on-month changes in credit to private sector, credit to government (net) and aggregate credit (net) to the domestic economy, respectively, while CCP, CCG and CAC, represent the cumulative changes (year-to-date).

Foreign assets (net) of the banking system declined on month-on-month basis at end April 2011.

At ₦6,274.5 billion, foreign assets (net) of the banking system fell below the level in the preceding month by 10.2 per cent, as against the increase of 3.9 per cent at the end of the preceding month. The development was attributed wholly to the decline in CBN's holding. Relative to the level at end-December 2010, foreign assets (net) of the banking system fell by 3.6 per cent, reflecting largely the 8.6 per cent decline in the CBN's holding.

Quasi-money increased by 0.9 per cent to ₦6,282.3 billion, compared with the increase of 0.4 per cent at the preceding month. The development was attributed to the rise in all the components namely, time and savings deposits of the DMBs. Over the level at end-December 2010, quasi-money also rose by 5.5 per cent due to the same reasons above.

Similarly, other assets (net) of the banking system rose by 4.9 per cent to ₦3,032.1 billion, compared with the increase of 2.4 per cent at the end of the preceding month, reflecting largely, the rise in unclassified assets of both the CBN and the DMBs. Relative to the level at end-December 2010, other assets (net) of the banking system also increased by 17.8 per cent.

Table 1: Growth in Monetary and Credit Aggregates over preceding month (Percent)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
Domestic Credit (Net)	7.7	4.3	-3	8.75	8.5	-0.2	1.62	0.92	-8.78	-0.3	-6.3	-3.46	10.21
<i>Claims on Federal Government (Net)</i>	32.52	27.1	31.7	42.9	40.2	30.4	4.66	11.8	6.6	34.8	-42.6	-50.8	54.19
<i>Claims on Private Sector</i>	-1.37	-0.5	0.9	-2.89	2	2.2	1.92	2	8.54	-4.2	-2.5	2.7	0.53
<i>Claims on Other Private Sector</i>	-1.63	-0.4	0.9	-2.75	4.1	1.8	1.55	2.3	-8.88	-4.6	-2.3	2.57	-0.41
Foreign Assets (Net)	-7.7	-5.8	-1.8	-13.3	-0.9	-1.12	-3.2	1.3	2.84	-1.6	5.1	3.9	-10.2
Other Assets (Net)	3.52	-3.8	10.3	10.4	-2.36	-4.67	1.2	-5.4	22.02	4.5	7.4	2.35	4.92
Broad Money Supply (M2)	1.78	-2	0.9	1.62	-2.57	-2.57	0	0.7	3.44	0.3	0.3	0.5	2.11
Quasi-Money	2.87	-3.2	3.3	3.81	1.92	-2.12	-1.3	-0.4	1.46	0.7	3.5	0.36	0.85
Narrow Money Supply (M1)	0.52	-0.5	-1.7	-0.91	9.4	-3.07	1.5	1.1	5.63	0.1	-3.2	0.66	3.45
Reserve Money (RM)	11.8	19.5	0	8.1	5.7	-23.3	7	0.9	27.22	-3.9	7.4	-6.31	-0.57

2.2 Currency-in-circulation (CIC) and Deposits at the CBN

At ₦1,492.3 billion, currency in circulation rose by 5.4 per cent at end-April 2011 over the level at end-March 2011. The development was attributed to the 2.9 per cent increase in currency outside the banking system.

Total deposits at the CBN amounted to ₦3,773.53 billion, indicating a decline of 19.5 per cent below the level at the end of the preceding month. The development reflected largely, the 29.6 and 22.7 per cent decline in banks and Federal Government deposits, respectively. Of the total deposits, the percentage shares of the Federal Government, banks and "others" were 83.0, 5.4 and 11.6 per cent, respectively.

Reserve money (RM) fell by 0.6 per cent below ₦1,705.9 billion recorded at the end of the preceding month to ₦1,696.2 billion, mirroring the trends in DMBs' deposits with the CBN.

Reserve money (RM) fell during the month under review.

2.3 Money Market Developments

Monetary tightening remained in the month of April with money market rates rising in all segments of the market. The development was attributed to the Nigerian National Petroleum Corporation (NNPC) withdrawal of ₦192.49 billion from Deposit Money Banks, increased demand for foreign exchange and the CBN's intervention through the sale of Government securities at both the Open market Operation (OMO) and the primary market during the review month.

At the foreign exchange market, demand for foreign exchange continued to increase following the repatriation of dividends earned by multinationals and speculators who traded in order to take advantage of market price oscillations ahead of the recently concluded April 2011 general elections. Patronage at the Government securities auction was impressive, as the Nigerian Treasury Bills (NTBs) and FGN Bonds were oversubscribed during the month under review. The

Bank intervened in the money market through the sale of the securities at the Open Market Operation (OMO) for tenors ranging from 28 to 45 days, while the two-way quote platform was active with the purchase and sale of NTBs. Meanwhile, the first maintenance period for the newly introduced reserve averaging for Cash Reserve Requirement (CRR) ended April 5, 2011 with a reserve surplus of 44.99 per cent and remunerated reserves amounting to ₦325.78 million.

Provisional data indicated that the value of money market assets outstanding at end-April 2011 was ₦4,860.62 billion, representing an increase of 5.6 per cent, compared with the increase of 2.5 per cent at end-March 2011. The development was attributed to the 6.8, 5.3 and 4.2 per cent increases in FGN Bonds Bankers' Acceptances and NTBs, respectively.

2.3.1 Interest Rate Developments

All deposit and lending rates rose in April 2011

Available data indicated that both banks' deposit and lending rates generally increased in April 2011. All rates on deposits of various maturities, including the average savings deposit rate, rose from a range of 1.4 – 5.4 per cent in March 2011 to 1.5 – 5.4 per cent. Similarly, at 4.3 per cent, the average term deposit rate rose by 0.07 percentage point above the level in the preceding month. The average maximum and prime lending rates also rose by 90 and 10 basis points to 22.9 and 15.9 per cent, respectively. Consequently, the spread between the weighted average term deposit rate and maximum lending rate widened from 17.8 per cent in March 2011 to 18.6 per cent. Similarly, the margin between the average savings deposit and maximum lending rates widened from 20.6 per cent to 21.4 per cent. At the interbank call segment, the weighted average rate, which stood at 9.3 per cent in March 2011, rose to 10.8 per cent, reflecting the tight liquidity condition which exerted upward pressure on rates in the market. Similarly, the weighted average rate at the open buy back (OBB) segment rose from 8.1 per cent in March 2011 to 9.5 per cent at end-April 2011. In line with the liquidity conditions at the interbank funds

market, the Nigerian interbank offered rate (NIBOR) for 7- and 30-day tenors rose by 1.5 and 1.2 percentage points over the levels in the preceding month to 11.6 and 12.6 per cent, respectively in the review month. With headline inflation rate of 11.3 per cent at end-April 2011, most deposit rates, were negative in real terms (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

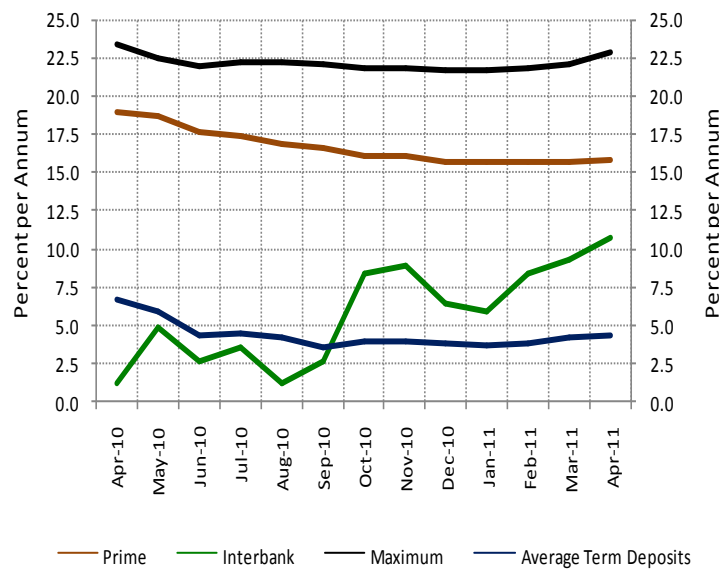


Table 2: Selected Interest Rates (Percent, Averages)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
Average Term Deposits	7.8	5.9	4.4	4.6	4.3	3.6	3.9	4.0	3.8	3.7	3.8	4.2	4.3
Prime Lending	18.1	18.8	17.7	17.4	16.9	16.7	16.2	16.1	15.7	15.7	15.7	15.8	15.9
Interbank	6.0	4.9	2.7	3.6	1.3	2.7	8.5	8.9	6.4	5.8	8.3	9.3	10.8
Maximum Lending	22.9	22.6	22.0	22.3	22.3	22.2	21.9	21.8	21.8	21.8	21.8	22.0	22.9

2.3.2 Commercial Paper (CP)

The value of Commercial Paper (CP) held by DMBs declined by 1.5 per cent to ₦198.0 billion at end-April 2011, compared with the decline of 8.5 per cent at end-March 2011. Thus, CP constituted 4.1 per cent of the total value of money market assets outstanding at end-April 2011, compared with 4.4 per cent at the end of the preceding month.

2.3.3 Bankers' Acceptances (BAs)

Bankers' Acceptances (BAs) increased by 5.3 per cent to ₦63.4 billion, in contrast to the decline of 10.7 per

cent in the preceding month. The rise in BAs, reflected the increase in investments by deposit money banks and discount houses. As a proportion of total value of money market assets outstanding, BAs accounted for, 1.3 per cent, the same as in the preceding month.

2.3.4 Open Market Operations

The Bank intervened in the market twice through the sale of securities of various tenors at the Open Market Operation (OMO) ranging from 28-45 days. A total of ₦120 billion, ₦142.50 billion, and ₦23.40 billion was offered, subscribed and sold, respectively, during the review month. Bid and issue rates ranged between 8.75-15.49 and 9.05-9.25 per cent, respectively. The amount sold was 508.97 per cent below subscription, indicating that investors demanded for high speculative yields despite their appetite for government security. However, ₦132.80 billion matured NTBs was repaid during the month, while ₦1.0 billion and ₦0.25 billion were purchased and sold, respectively, at the two-way quote trading platform.

2.3.5 Primary Market

At the primary market segment, NTBs auctions were conducted fortnightly on 91-, 182- and 364-day tenors. Total amount offered and subscribed was ₦291.60 billion and ₦638.40 billion, respectively. The bid rates ranged from 6.80 to 10.99 per cent for the 91-day tenor, 9.30 to 11.99 per cent for the 182-day tenor and 9.09 to 13.99 per cent for the 364-day tenor. The total amount of ₦291.60 billion on offer was allotted at issue rates ranging from 6.80 to 9.59 per cent for 91-day, 9.30 to 10.47 per cent for 182-day and 9.09 to 10.99 per cent for 364-day tenured securities. A total of ₦231.63 billion was repaid, resulting in a net outflow of ₦59.97 billion.

2.3.6 Bonds Market

Federal Government of Nigeria (FGN) Bonds with tenors of 3- and 5-year tranches, amounting to ₦35.00 billion apiece, were re-opened at the primary market in April 2011. Total public subscription was ₦65.89 billion for the

The marginal rates for various tenors of FGN Bonds were lower than in the preceding month.

3-year bond and ₦63.33 billion for the 5-year bond, while the bid rates ranged from 10.00 to 15.00 per cent and 11.75 to 15.00 per cent for the 3-year and 5-year FGN Bonds, respectively. Total allotment was ₦35.00 billion apiece at marginal rates of 12.14 and 13.19 per cent for the 3-year and 5-year tranches, respectively. This represented an increase of 165 and 199 basis points in yield, respectively, over the levels in the previous month..

2.3.7 CBN Standing Facilities

Aggregate Standing Lending Facility (SLF) granted during the period under review was ₦2,972.77 billion, compared with ₦3,425.38 billion at end-March 2011. The decline of ₦452.61 billion in SLF demanded and granted was due to the lower number of working days recorded in the month under review. In line with the new monetary policy on Reserve Averaging, the Standing Deposit Facility (SDF) was suspended and in its stead, the surplus in excess of the Cash Reserve Requirement (CRR) was remunerated.

2.4 Deposit Money Banks' Activities

Available data indicated that total assets and liabilities of the deposit money banks (DMBs) amounted to ₦17,861.4 billion, showing an increase of 0.9 per cent over the level at end-March 2011. Funds sourced mainly from the sales of Federal Government securities and disposal of unclassified liabilities, were used, largely, to increase reserves. At ₦10,753.4 billion, DMBs' credit to the domestic economy fell by 0.6 per cent from the level in the preceding month. The breakdown, on a month on month basis, showed that credit to state and local government declined by 3.3 per cent, while credit to the core private sector fell by 0.5 per cent from the level in March 2011.

DMBs' Credit to state and local government fell by 3.3 per cent, while credit to the core private sector fell by 0.5 per cent below the level in March 2011.

Central Bank's credit to the DMBs, largely loans and advances, rose by 0.5 per cent to ₦422.6 billion at end-April 2011, while specified liquid assets of the DMBs stood at ₦3,126.1 billion, representing 23.2 per cent of

their total current liabilities. This level of liquid assets was 0.1 percentage points below the preceding month's ratio and 6.8 percentage points below the stipulated minimum ratio of 30.0 per cent for fiscal 2011. The loan-to-deposit ratio was 48.5 per cent and was 31.5 percentage points below the stipulated maximum target of 80.0 per cent.

2.5 Discount Houses' Activities

Total assets and liabilities of the discount houses stood at ₦267.8 billion at end-April 2011, showing a decline of 0.8 per cent from the level at end-March 2011. The decline in assets was accounted for, largely, by the 4.2 per cent fall in claims on banks. Correspondingly, the decline in total liabilities was attributed, largely, to the 4.5 per cent fall in money-at-call.

Discount houses' investment in Federal Government securities of less than 91-day maturity fell to ₦19.7 billion and accounted for 10.9 per cent of their total deposit liabilities. It was, however, 49.1 percentage points below the prescribed minimum level of 60.0 per cent for fiscal 2011. At that level, discount houses' investment declined by 17.6 per cent from the level at the end of the preceding month. Total borrowing by the discount houses was ₦50.3 billion, while their capital and reserves amounted to ₦51.6 billion. This resulted in a gearing ratio of 1:1, compared with the stipulated maximum target of 50:1 for fiscal 2011.

2.6 Capital Market Developments

2.6.1 *Secondary Market*

Available data indicated that activities on the Nigerian Stock Exchange (NSE) in April 2011 were bullish, as all the major indicators trended upward. The volume and value of traded securities rose by 16.1 and 18.2 per cent to 10.1 billion shares and ₦59.0 billion, respectively, in 102,566 deals, compared with 8.7 billion shares, valued at ₦49.9 billion, in 147,821 deals in the preceding month. The Conglomerates sub-sector was the most active on the Exchange with a traded volume

of 4.7 billion shares, valued at ₦8.5 billion, in 4,491 deals. This was followed by the Banking sub-sector with a traded volume of 3.8 million shares, valued at ₦33.6 billion, in 59,040 deals. Transactions in the equities sub-sector recorded a traded volume of 10.1 billion shares valued at ₦58.97 billion, in 102,547 deals.

Figure 4: Volume and Value of Traded Securities

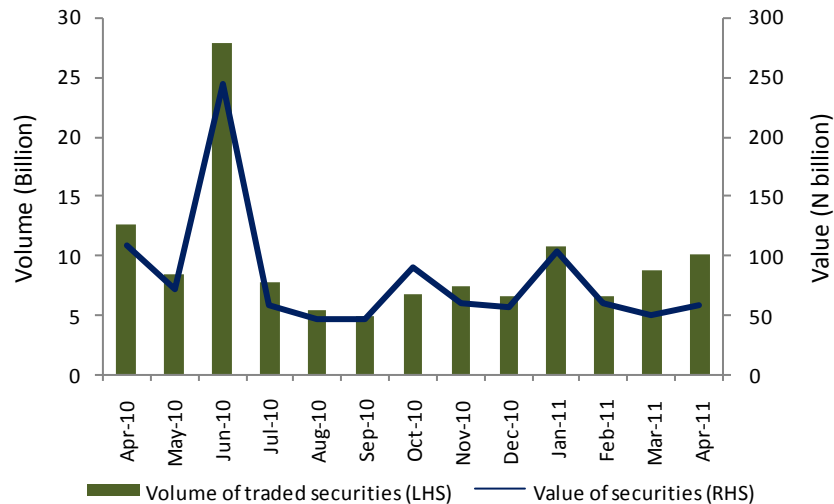


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
Volume (Billion)	12.6	8.3	27.9	7.6	5.3	4.8	6.7	7.4	6.6	10.8	6.5	8.7	10.1
Value (₦ Billion)	108.3	72.2	245.2	58.8	46.9	47.3	90.6	60.3	56.7	104.1	60.6	49.9	59.0

2.6.2 New Issues Market

The 13.5% FGN April 2011 (3rd FGN Bond 2011 Series 7) was delisted in the review month.

2.6.3 Market Capitalization

The aggregate market capitalization of the listed securities increased by 18.2 per cent to close at ₦11.7 trillion, compared with ₦9.9 trillion recorded at the end of the preceding month. The equities sub-sector,

accounted for 68.4 per cent (₦8.0 trillion) of the total market capitalization, while the debt component represented the balance of 31.6 per cent (₦3.7 trillion).

2.6.4 NSE All-Share Index

The All-Share Index, which opened at 25,020.08 at the beginning of the month, closed at 25,041.68, indicating an increase of 0.1 per cent over the level in the preceding month. The NSE Food/Beverage, NSE Insurance and NSE Oil/Gas Indices rose by 1.5, 2.4 and 1.6 per cent, respectively, while the NSE banking index fell by 0.7 per cent.

Figure 5: Market Capitalization and All-Share Index

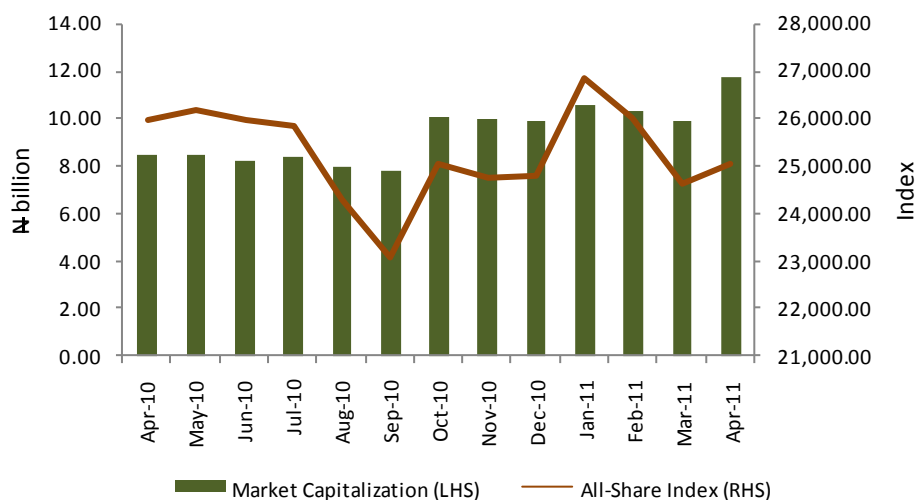


Table 4: Market Capitalization and All Share Index (NSE)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
Market Capitalization (₦ trillion)	8.5	8.4	8.2	8.4	8.0	7.8	10.1	10.0	9.9	10.5	10.3	9.9	11.7
All-Share Index	25966.3	26183.2	25966.3	25844.2	24268.2	23050.6	25042.2	24764.7	24770.5	26830.7	26016.8	25020.1	25041.7

3.0 Fiscal Operations

3.1 Federation Account Operations

Gross federally-collected revenue was ₦781.84 billion, indicating an increase of 30.6 and 37.5 per cent over the proportionate monthly budget estimate and the receipts in the corresponding period of 2010, but was below the receipts in the preceding month by 10.8 per cent (Fig. 6, Table 5).

Gross federally-collected revenue was above the proportionate monthly budget estimate for April 2011.

Figure 6: Components of Gross Federally-Collected Revenue

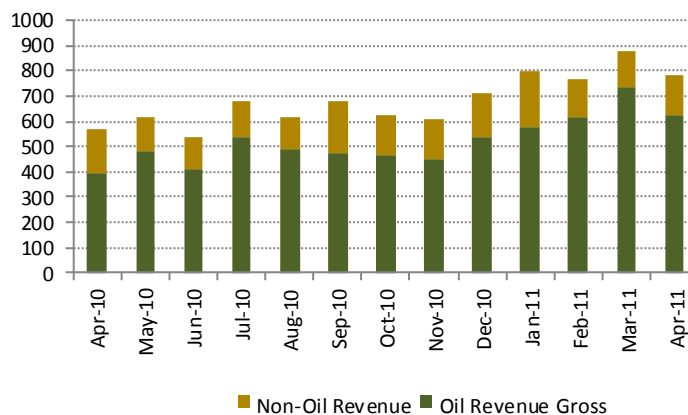


Table 5: Gross Federation Account Revenue (₦ billion)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
Federally-collected revenue (Gross)	537.7	568.0	641.8	699.9	650.6	644.7	623.3	644.7	757.7	731.8	766.9	876.9	781.8
Oil Revenue	396.9	434.9	413.4	536.2	492.5	473.3	462.4	447.6	538.7	580.1	617.0	738.5	621.5
Non-Oil Revenue	140.9	133.0	202.9	163.7	158.1	171.4	161.0	158.1	171.4	151.7	149.3	138.2	160.3

At ₦621.53 billion, gross oil receipts, which constituted 79.5 per cent of the total revenue, exceeded the proportionate monthly budgeted revenue and the receipts in the corresponding month of 2010 by 49.7 and 56.6 per cent, respectively. Oil receipts, however, declined below the receipts in the preceding month by 15.8 per cent. The fall in oil receipts relative to the level in the preceding period was attributed, largely, to the reduction in volume of crude oil production due to maintenance work and attacks on pipelines that

Relative to the preceding month's level, oil receipts decreased.

affected some oil terminals at the time of lifting. (Fig. 7, Table 6).

Figure 7: Gross Oil Revenue and Its Components

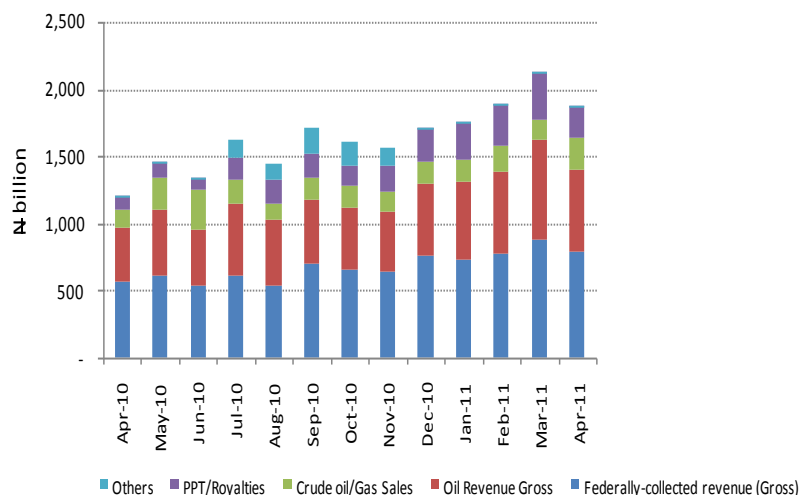
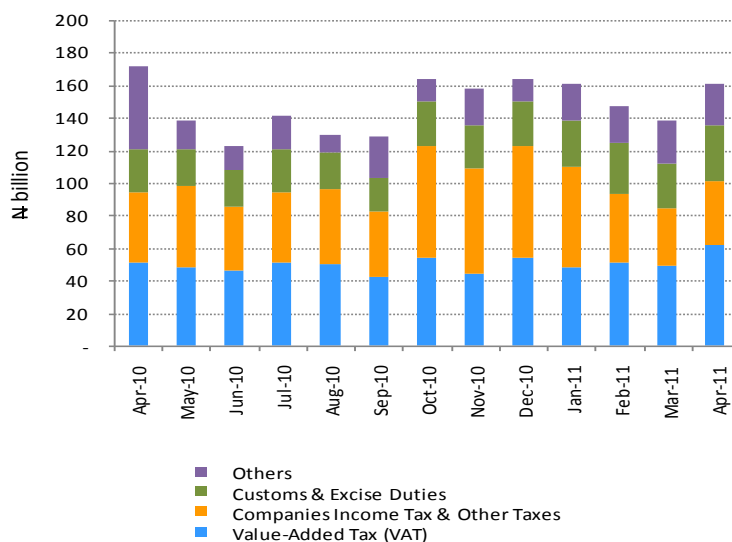


Table 6: Components of Gross Oil Revenue (N billion)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
Oil Revenue	369.9	478.4	413.4	536.2	492.5	473.3	462.4	447.6	538.7	580.1	617.0	738.5	621.5
Crude oil/Gas Sales	161.0	176.9	111.7	165.3	163.1	147.7	142.1	147.7	155.3	136.8	112.7	231.6	153.5
PPT/Royalties	102.8	160.0	174.0	180.4	154.8	184.9	180.0	184.9	256.4	274.9	308.5	352.4	239.9
Others	0.3	0.3	127.8	190.6	174.5	140.7	140.3	140.7	0.4	0.3	0.2	0.5	0.3

The performance of non-oil receipts was impressive relative to the preceding month, even though it fell below the monthly budget estimate.

Non-oil receipts, at ₦160.31 billion or 20.5 per cent of the gross federally collected revenue was lower than the monthly budget estimate and the level in the corresponding month of 2010 by 12.6 and 6.7 per cent, respectively. Relative to the preceding month's level, non-oil receipts was, however, higher by 16.0 per cent. The shortfall relative to the proportionate monthly budget estimate reflected, largely, the significant decline in its components with the exception of Value-Added Tax (VAT). (Fig. 8, Table 7).

Figure 8: Gross Non-Oil Revenue and its Components**Table 7: Components of Gross Non-Oil Revenue (N billion)**

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Jan-11	Feb-11	Mar-11	Apr-11
Non-Oil Revenue	171.8	131.5	128.2	163.7	158.1	171.4	161.0	151.4	149.3	138.2	160.3
Value-Added Tax (VAT)	51.1	49.8	42.2	54.2	44.6	48.5	48.5	47.5	50.8	49.2	61.6
Companies Income Tax & Other Taxes	42.6	46.6	40.1	68.8	63.9	80.5	61.7	32.3	42.1	35.3	39.8
Customs & Excise Duties	26.6	21.9	20.2	30.0	27.1	26.9	28.0	48.6	31.4	27.7	34.2
Others	51.5	13.3	25.7	13.8	22.5	13.8	22.5	23.0	25.0	26.0	24.7

Of the gross federally-collected revenue (after accounting for all deductions and transfers), the sum of ₦357.93 billion was transferred to the Federation Account for distribution among the three tiers of government and the 13.0% Derivation Fund. The Federal Government received ₦168.84 billion, while the States and Local Governments received ₦85.64 billion and ₦66.02 billion, respectively. The balance of ₦37.43 billion was credited to the 13.0% Derivation Fund for distribution by the oil-producing states. From the VAT Pool Account, the Federal Government received ₦8.87 billion, while the State and Local Governments received ₦29.57 billion and ₦20.70 billion, respectively. Furthermore, in order to bridge the gap between the budgeted and actual revenue for the month, the sum of ₦7.50 billion was drawn-down from the excess crude account as revenue augmentation and distributed as

follows: Federal Government ₦3.44 billion, State and local governments ₦1.74 billion and ₦1.34 billion, respectively. The balance of ₦0.98 billion went to the 13.0% Derivation Fund. Overall, the total allocation to the three tiers of government from the Federation and VAT Pool Accounts in April 2011 amounted to ₦424.58 billion.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

At ₦193.04 billion, the estimated Federal Government retained revenue for April 2011, was lower than the proportionate monthly budget and corresponding period of 2010 by 30.9 and 21.6 per cent, but exceeded the level in the preceding month by 1.3 per cent. Of this amount, the shares from the Federation Account and the VAT Pool account were ₦168.84 billion (87.4 per cent) and ₦8.87 billion (4.6 per cent), respectively, while the balance (₦15.33 billion) came from FGN independent revenue (6.2 per cent), Excess crude account and "others" (1.8 per cent) (Fig. 9, Table 8).

Federal government estimated retained revenue was lower than the proportionate monthly budget and receipts in the corresponding month of 2010 by 30.9 and 21.6 per cent, but was higher than the level in the preceding month by 1.3 per cent, respectively.

Figure 9: Federal Government Retained Revenue

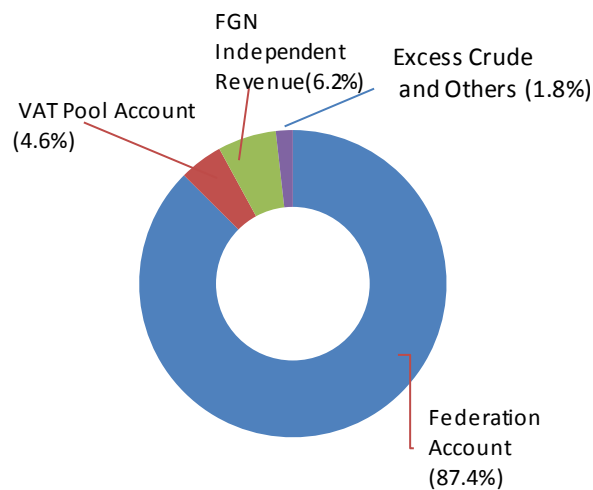
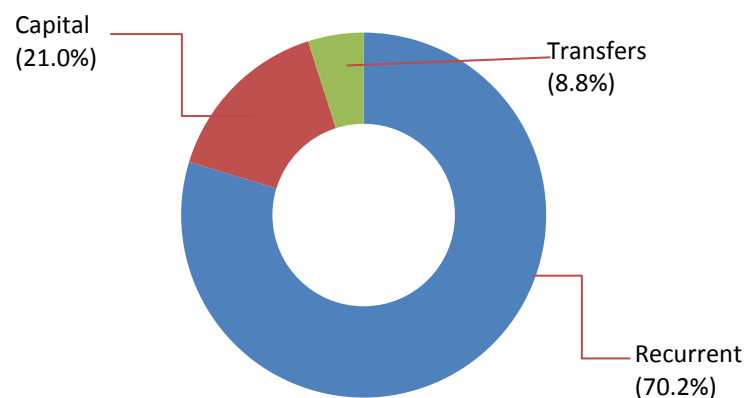


Table 8: Federal Government Fiscal Operations (₦ billion)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
Retained Revenue	209.6	287.0	207.1	185.1	214.5	176.4	190.4	198.0	185.1	190.4	193.4	190.6	193.0
Expenditure	388.2	360.9	458.5	328.6	321.1	328.6	292.1	318.0	319.6	224.4	286.5	327.5	310.6
Overall Balance: (+)/(-)	-178.6	-73.9	-251.7	-143.5	-106.6	14.9	-101.7	-119.9	-134.6	-101.7	-93.1	-136.9	-117.6

At ₦310.63 billion, total estimated expenditure for April 2011 fell below the proportionate monthly budget estimate and the level in the preceding month by 30.1 and 5.1 per cent, respectively, but exceeded the level in the corresponding period of 2010 by 95.5 per cent. The lower total expenditure relative to the preceding month's level was attributed to the decline in the capital spending. A breakdown of total expenditure showed that the recurrent component accounted for 70.2 per cent, while the capital and transfer component accounted for the balance of 21.0 and 8.8 per cent, respectively. Non-debt-obligations accounted for 90.6 per cent of the total recurrent expenditure, while debt service payments accounted for the balance of 9.4 per cent (Fig. 10).

Total estimated expenditure for April 2011 fell below the proportionate monthly budget and the level in the preceding month by 30.1 and 5.1 per cent, respectively.

Figure 10: Federal Government Expenditure in April 2011

The fiscal operations of the FG resulted in an estimated deficit of ₦117.59 billion in April 2011.

Thus, the fiscal operations of the Federal Government in April 2011, resulted in an estimated overall deficit of ₦117.59 billion, compared with the monthly budgeted deficit of ₦164.98 billion.

3.2.2 Statutory Allocations to State Governments

During the review month, total receipts by state governments, including the share of VAT and from the Federation Account stood at ₦155.36 billion. This represented an increase of 5.2 per cent over the level in the preceding month. It was also, 49.9 per cent higher than the level in the corresponding month of 2010.

The breakdown showed that, at ₦29.57 billion, receipts from the VAT Pool Account were higher than the levels in the preceding month and corresponding period of 2010 by 25.3 and 20.5 per cent, respectively. At ₦125.79 billion, State Government receipts from the Federation Account were higher than the level in corresponding month of 2010 by 59.1 per cent.

3.2.3 Statutory Allocations to Local Government Councils

Total receipts by the Local Governments from the Federation and VAT Pool Accounts, stood at ₦88.07 billion. This was higher than the level in the preceding month and the corresponding period of 2010 by 5.2 and 44.40 per cent, respectively. Of this amount, receipts from the Federation Account was ₦67.21 billion (80.3 per cent of the total), while the VAT Pool Account accounted for ₦20.70 billion (19.7 per cent of the total).

4.0 Domestic Economic Conditions

The dominant agricultural activities in April 2011 were; planting and harvesting of tree crops and vegetables, as well as preparation of land for the 2011 cropping season. In the livestock sub-sector, farmers intensified the re-stocking of broilers and layers to replenish those sold during the Easter season. Crude oil production was estimated at 2.12 million barrels per day (mbd) or 63.6 million barrels during the month. The end-period inflation rate for April 2011, on a year-on-year basis, was 11.3 per cent, compared with the preceding month's level of 12.8 per cent. The inflation rate on a 12-month moving average basis was 12.7 per cent, compared with the preceding month's level of 13.0 per cent.

4.1 Agricultural Sector

Available data indicated that the predominant agricultural activities in the southern states were planting and harvesting of tree crops for the 2011 cropping season, while farmers in the northern part of the country were engaged in preparation of land for the cropping season and harvesting of vegetables. In the livestock sub-sector, farmers were engaged with re-stocking broilers and layers to replenish sales during the Easter period.

A total of ₦421.18 million was guaranteed to 2,396 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in April 2011. This represented an increase of 24.5 and 96.3 per cent over the levels in the preceding month and corresponding period of 2010, respectively. A sub-sectoral analysis of the loans guaranteed indicated that the food crops sub-sector had the largest share of ₦282.1 million (67.0 per cent) to 2,085 beneficiaries, while the livestock sub-sector received ₦83.4 million (19.8 per cent) for 162 beneficiaries. The fisheries and mixed crops sub-sectors received ₦46.0 million (10.9 per cent) and ₦6.4 million (1.5 per cent) for 115 and 27 beneficiaries, respectively. The cash crops sub-sector had ₦2.1 million (0.5 per cent) for 3 beneficiary, while "Others" received ₦1.2 million (0.3 per cent) for 4 beneficiaries. Analysis by

state showed that 25 states benefited from the cheme during the month, with the highest and lowest sums of ₦131.7 million (31.3 per cent) and ₦0.2 million (0.04 per cent) guaranteed to Katsina and Zamfara States, respectively.

At end-April 2011, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement stood at ₦116.11 billion (for 21 projects).

At end-April 2011, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement stood at ₦116.10 billion (for one hundred and twenty one projects). Twenty two state governments have so far benefited from the programme (Table 9).

Table 9: Disbursement of Credit Under the Commercial Agriculture Credit Scheme (CACS)

S/N	Participating Banks	Amount Disbursed (₦ billion)	Number of Projects
1	United Bank for Africa (UBA) Plc	36.46	34
2	Union Bank of Nigeria Plc	16.15	16
3	Zenith Bank Plc	13.84	10
4	First Bank of Nigeria Plc	10.7	26
5	Skye Bank Plc	10.67	7
6	Unity Bank Plc	6	4
7	GT Bank Plc	5.25	7
8	Access Bank Plc	5.18	5
9	Fidelity Bank Plc	4.5	4
10	Stanbic IBTC Bank	3.83	6
11	Oceanic Bank Plc	2	1
12	Citibank	1.5	1
TOTAL		116.08	121

4.2 Petroleum Sector

Crude oil and natural gas production was estimated to increase by 5.8 per cent to 63.6 million barrels for the month.

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 2.12 million barrels per day (mbd) or 63.6 million barrels for the month, compared with 60.14 million barrels in the preceding month. Thus, on a daily basis, crude oil production was 9.3 per cent above the level in the preceding month. Relative to the level in the preceding month, crude oil production represented an increase of 5.8 per cent.

Crude oil export was estimated at 1.67 mbd or 50.1 million barrels, while deliveries to the refineries for domestic consumption remained at 0.45 mbd or 13.5 million barrels. The increase in the level of production relative to the preceding month was attributed to the re-opening of the shell Bonga oil and gas Field, which accounts for about 10.0 per cent of the country's daily oil output.

In April 2011, crude oil export was estimated at 1.67 mbd, representing an increase of 12.1 per cent from the level in the preceding month.

At an estimated average of US\$126.91 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API), increased by 6.7 per cent over the level in March 2011. The average prices of other competing crudes namely; U.K Brent and Forcados, also rose by 7.2 and 7.0 per cent, to US\$124.17 and US\$127.6 per barrel, respectively. Similarly, the West Texas Intermediate rose by 5.6 per cent to an average US\$108.44 in the review month.

The average price of Nigeria's reference crude, the Bonny Light rose by 6.7 per cent above the level in the preceding month. Similarly, the prices of U.K Brent, Forcados , West Texas Intermediate also rose in April 2011.

The average price of OPEC's basket of eleven crude streams rose by 7.2 per cent to US\$117.7, over the level in March 2011. The development was attributed to the speculative activities in the oil market (Fig. 11, Table 10).

Figure 11: Trends in Crude Oil Prices

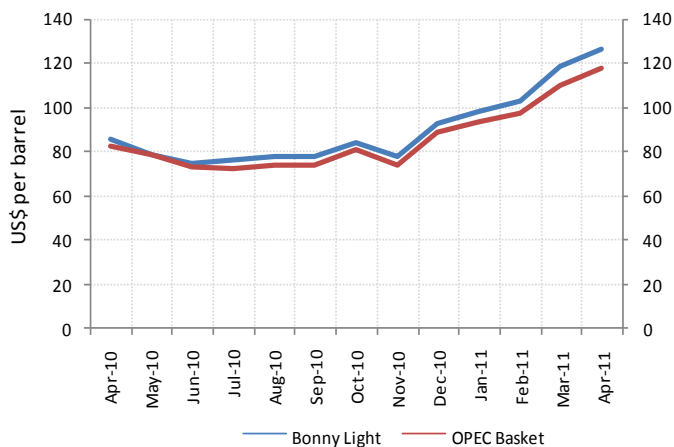


Table 10: Average Crude Oil Prices in the International Oil Market

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
Bonny Light	85.51	78.63	76.23	76.42	77.90	79.10	84.26	77.90	93.40	98.50	103.23	118.99	126.91
OPEC Basket	82.33	78.94	72.95	72.51	74.15	74.63	81.00	74.20	88.60	93.30	97.69	109.84	117.70

4.3 Consumer Prices

The general price level fell in April relative to March 2011, owing to the decrease in the index of staple food and non-alcoholic beverages.

Available data showed that the all-items composite Consumer Price Index (CPI) in April 2011 was 117.7 (November 2009=100), representing a decline of 0.5 per cent over the level in the preceding month. The development was attributed to the fall in the index of food and non-alcoholic beverages.

The urban all-items CPI at end-April 2011 was 115.5 (November 2009=100), indicating an increase of 0.5 per cent over the level in the preceding month. The rural all-items CPI for the month was 119.4 (November 2009=100), representing a decline of 1.3 per cent from the level in the preceding month.

The headline inflation rate on a year-on-year basis fell by 1.5 percentage points to 11.3 per cent, while the 12-month moving average rate fell by 0.3 percentage point.

The end-period inflation rate for April 2011, on a year-on-year basis, was 11.3 per cent, compared with 12.8 per cent in the preceding month. The inflation rate on a twelve-month moving average basis for April 2011 was 12.7 per cent, compared with 13.0 per cent in the preceding month (Fig. 12, Table 11).

The development in the retail prices of most staples were mixed in April 2011.

Retail price survey of staples by the CBN showed that the prices of most of the major staples were mixed in April 2011. Eight (8) of the fourteen (14) commodities monitored, recorded price increases (ranging from 0.1 per cent for Maize (Yellow) to 9.3 per cent for yam flour), over their levels in the preceding month. The prices of beans (brown), garri (Yellow), eggs (Medium), local rice, millet and palm oil fell by 0.5, 1.1, 1.2, 1.3, 2.0, and 2.1 per cent, respectively. Relative to their levels in the corresponding month of 2010, the prices of eight (8) commodities namely, millet, garri (yellow), eggs (medium), beans (brown), local rice, guinea corn, beans (brown), groundnut oil, vegetable oil, and palm oil rose by 0.8, 2.2, 2.7, 3.0, 4.1, 5.0, 11.3, 16.5, 18.2 and

24.2 per cent, respectively, while four (4) of the staples recorded price decline, ranging from 1.0 per cent for white beans to 3.0 per cent for garri (white).

Figure 12: Consumer Price Index

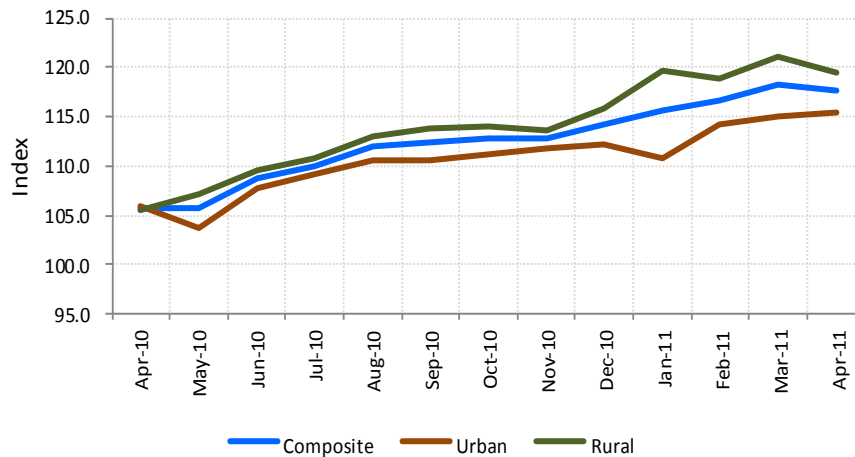


Table 11: Consumer Price Index (November 2009=100)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
Composite	105.7	105.7	108.8	109.9	111.9	112.4	112.7	112.8	114.2	112.8	114.2	118.3	117.7
Urban	105.9	103.8	107.7	109.1	110.5	110.6	111.2	111.7	112.2	111.7	112.2	115.0	115.5
Rural	105.6	107.2	109.6	110.7	113.0	113.8	114.0	113.6	115.9	113.6	115.9	121.1	119.4

Figure 13: Inflation Rate

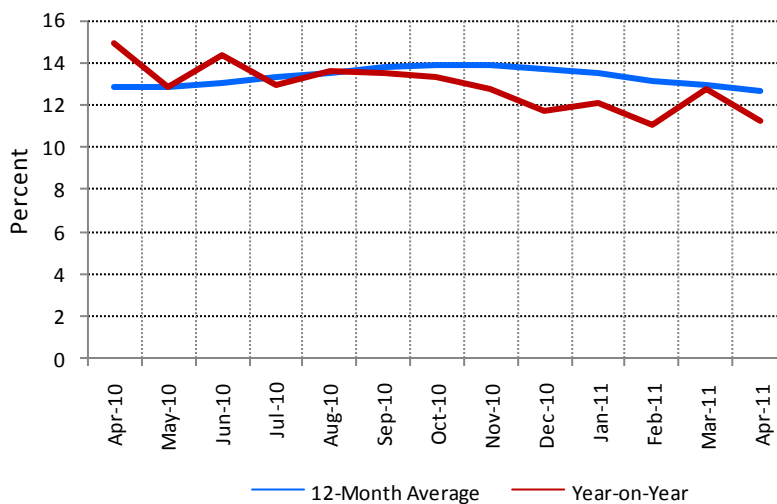


Table 12: Headline Inflation Rate (%)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
12-Month Average	12.7	12.9	13.1	13.3	13.5	13.8	13.9	13.9	13.7	13.9	13.7	13.0	12.7
Year-on-Year	15.0	12.9	14.1	13.0	13.7	13.6	13.4	12.8	11.8	12.8	11.8	12.8	11.3

5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow and outflow through the CBN fell by 39.4 and 13.8 per cent from their respective levels in the preceding month. Total non-oil export receipts by banks fell by 5.6 per cent below the level in the preceding month. The gross external reserves decreased by 1.1 per cent below the preceding month's level, while the average exchange rate of the Naira vis-à-vis the US dollar, depreciated by 0.9 per cent to ₦153.97 per dollar at the Wholesale Dutch Auction System (WDAS).

5.1 Foreign Exchange Flows

Foreign exchange inflow and outflow through the CBN in the month of April was US\$2.50 billion and US\$3.44 billion, respectively, resulting in a net outflow through the CBN amounting to US\$0.94 billion, compared with the net inflow of US\$0.13 billion recorded in March 2011. Inflow and outflow declined by 39.4 and 13.8 per cent respectively, from the levels in the preceding month. The fall in inflow was attributed, largely, to the 38.1 and 62.4 per cent decline in oil and other official receipts, respectively. Correspondingly, the decline in outflow was due, largely, to a 61.3 and 24.9 per cent fall in external debt service and WDAS funding, respectively (Fig. 14, Table 13).

Foreign exchange inflow and outflow through the CBN fell by 39.4 and 13.8 per cent, respectively, in April 2011. Overall, there was a net outflow of US\$0.29 billion through the CBN during the period.

Figure 14: Foreign Exchange Flows through the CBN

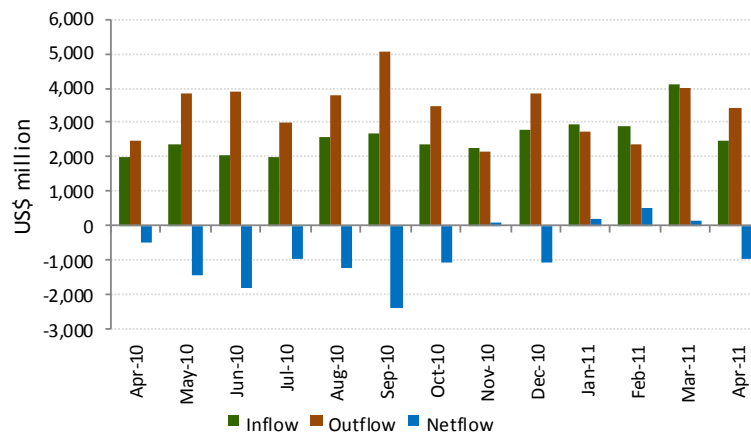


Table 13: Foreign Exchange Flows through the CBN (US\$ million)

	Apr-10	May-11	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
Inflow	2016.9	2381.6	2062.4	2291.0	2564.5	2701.5	2378.1	2240.7	2761.4	3435.6	3164.7	4119.2	2495.6
Outflow	2981.6	3590.4	3885.8	4032.6	3787.3	5078.7	3463.5	2169.8	3835.6	2805.8	2768.7	3985.9	3439.7
Netflow	-491.1	-1208.8	-1673.6	-1743.2	-1222.8	-2377.2	-1085.4	70.8	-1074.2	629.8	396.0	629.8	-944.1

Provisional data on aggregate foreign exchange flows through the economy indicated that total inflow was US\$5.85 billion, representing a decline of 24.9 per cent from the level in the preceding month, and exceeded the level in the corresponding period of 2010 by 1.7 per cent. The observed decline was attributed to the fall in crude oil receipts, other official receipts and inflows through autonomous sources. Oil sector receipts accounted for 40.1 per cent of the total inflows, compared with 48.7 per cent in the preceding month.

Non-oil public sector inflow declined by 54.2 per cent and accounted for 2.6 per cent of the total inflow, while autonomous inflow which fell by 8.7 per cent, accounted for 57.3 per cent of the total inflow.

At US\$3.56 billion, aggregate foreign exchange outflow from the economy fell by 13.3 per cent below the level in the preceding month. The decline in outflow from the preceding month's level reflected, largely, the 61.33 and 24.88 per cent fall in external debt service and WDAS utilization, respectively.

5.2 Non-Oil Export Earnings by Exporters

Total non-oil export earnings received by banks declined by 5.6 per cent to US\$154.40 million below the preceding month's level. The development was attributed largely to the fall in the prices of the commodities traded at the international market. A breakdown of the export proceeds in April 2011 showed that proceeds of industrial, manufactured, minerals, agricultural, and food products stood at US\$48.32, US\$27.55, US\$68.81, US\$8.80, and US\$0.92,

Non-oil inflows into the economy fell by 38.1 per cent and accounted for 1.9 per cent of the total inflows in April 2011.

Total non-oil export earnings by exporters fell in April on account of decrease in the exports of industrial sector, agricultural sector, food and manufactured products.

million respectively. There were no export activities from the transport sub-sectors during the review month.

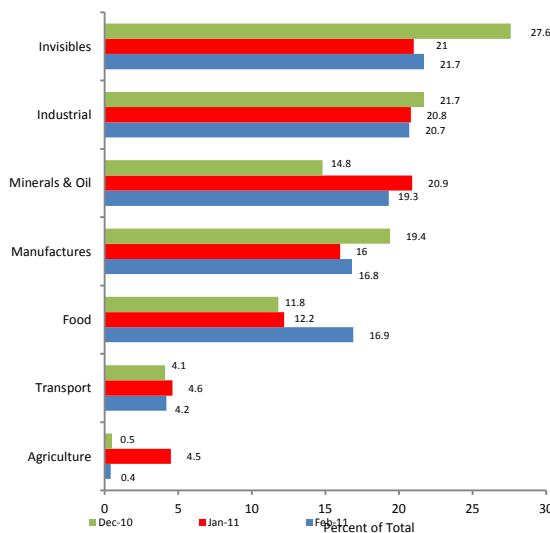
The shares of industrial, manufactured, minerals, agricultural, food products and transport sub-sectors in non-oil export proceeds were 31.3, 17.8, 44.6, 5.7, 0.6, and 0.0 per cent, respectively, in the review month.

5.3 Sectoral Utilisation of Foreign Exchange

The invisibles sector accounted for the bulk (22.8 per cent) of total foreign exchange disbursed in April 2011, followed by industrial sector (19.6 per cent). Other beneficiary sectors, in a descending order included: minerals and oil sector (19.5 per cent), food products (17.0 per cent), manufactured products (16.9 per cent), transport (3.6 per cent) and agricultural products (0.6 per cent) (Fig.15).

The invisibles sector accounted for the bulk of the total foreign exchange disbursed in April 2011.

Figure15: Sectoral Utilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

Demand for foreign exchange by authorized dealers declined in April 2011 relative to March 2011. It however, increased by 31.1 per cent, when compared with the corresponding month of 2010.

Aggregate demand for foreign exchange by authorized dealers under the Wholesale Dutch Auction System (WDAS) was US\$3.11 billion in April 2011, showing a decline of 29.4 per cent, from the level in the preceding month, but an increase of 31.1 per cent over the level in the corresponding month of 2010. A total of US\$2.71 billion was sold by the CBN to authorized dealers during the period, reflecting a decline of 24.9 from the level in the preceding month, but an increase of 26.1 per cent over the level in the corresponding period of 2010. (Fig.16, Table 14).

Figure16: Demand for and Supply of Foreign Exchange

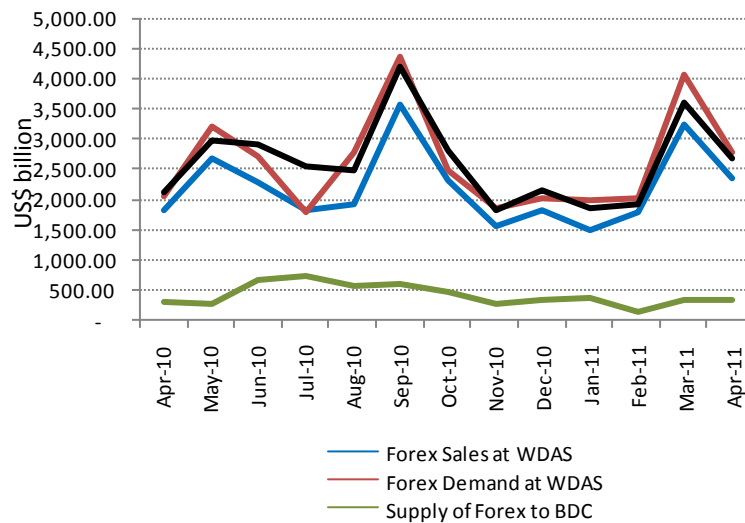


Table 14: Demand for and Supply of Foreign Exchange (US\$ billion)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
Forex Sales at WDAS	1841.1	2707.5	2284.0	1835.2	1948.5	3593.5	2342.1	1561.7	1839.1	2000.0	1794.8	3274.4	2375.6
Forex Demand at WDAS	2068.6	3492.2	2741.9	1795.8	2789.1	4391.8	2503.7	1853.4	2035.1	2800.4	2041.0	4080.3	2780.4
Supply of Forex to BDC	306.1	277.3	657.5	741.2	450.8	613.8	478.7	280.2	341.1	135.5	300.0	330.5	322.3
Total Forex Supply	2147.1	2984.8	2941.4	2576.4	2399.4	4207.3	2820.8	1841.9	2180.2	2135.5	2094.8	3604.9	2707.8

Under the WDAS, the average exchange rate of the Naira vis-à-vis the US dollar, depreciated by 0.9 per cent, to ₦153.97 per US dollar. It, however, appreciated marginally at the bureaux-de-change segment, from ₦157.09 per US dollar in March 2011 to ₦157.05 per US dollar. At the interbank segment of the market, the average exchange rate also appreciated by 0.4 per cent to ₦154.60 per US dollar.

Consequently, the premium between the official and bureaux-de-change rates narrowed from 2.9 per cent in the preceding month to 2.0 per cent, while at the interbank market, it narrowed from 1.7 per cent in the preceding month to 0.4 per cent.

The Naira exchange rate vis-à-vis the US dollar, on average, depreciated at the WDAS. It however appreciated in the interbank and the BDC segments of the foreign exchange market.

The premium between the WDAS and BDC rates narrowed to 2.0 per cent, while the premium narrowed to 0.4 per cent in the interbank segment.

Figure 17: Average Exchange Rate Movements

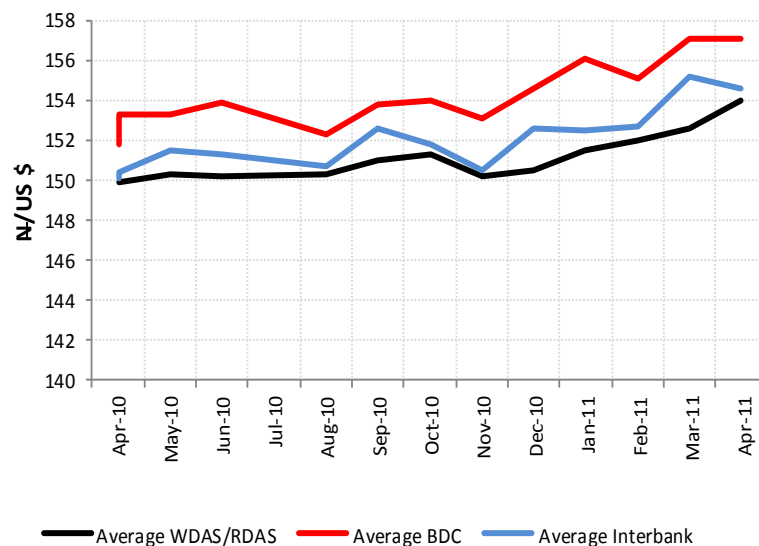
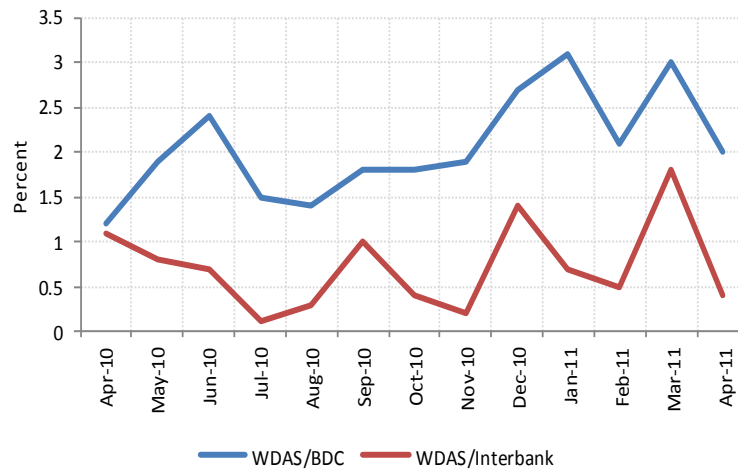


Table 15: Exchange Rate Movements and Exchange Rate Premium

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
Average Exchange Rate (N/\$)													
WDAS/RDAS	150.2	150.3	150.2	150.1	150.3	151.0	151.3	150.2	150.5	151.6	151.9	152.6	154.0
BDC	152.1	153.3	153.9	152.4	152.3	153.8	154.0	153.1	154.6	156.1	155.1	157.1	157.1
Interbank	150.9	151.5	151.3	150.3	150.7	152.6	151.8	150.6	152.6	152.4	152.7	155.2	154.6
Premium (%)													
WDAS/BDC	1.2	1.9	2.4	1.5	1.4	1.8	1.8	1.9	2.7	3.0	2.0	3.0	2.0
WDAS/Interbank	1.1	0.8	0.7	0.1	0.3	1.0	0.4	0.2	1.4	0.7	0.5	1.8	0.4

Figure 18: Exchange Rate Premium



5.5 Gross External Reserves

Gross external reserves declined marginally in April 2011.

The gross external reserves at the end of April 2011 stood at US\$32.87 billion, indicating a decline of 1.1 and 18.5 per cent from the levels at the end of the preceding month and the corresponding period of 2010, respectively. A breakdown of the reserves showed that CBN holding stood at US\$22.40 billion (68.1 per cent), Federal Government holding was US\$2.46 billion (7.5 per cent) and the Federation Account portion (Excess Crude) was US\$8.01 billion (24.4 per cent) (Fig. 19, Table 16).

Figure 19: Gross External Reserves

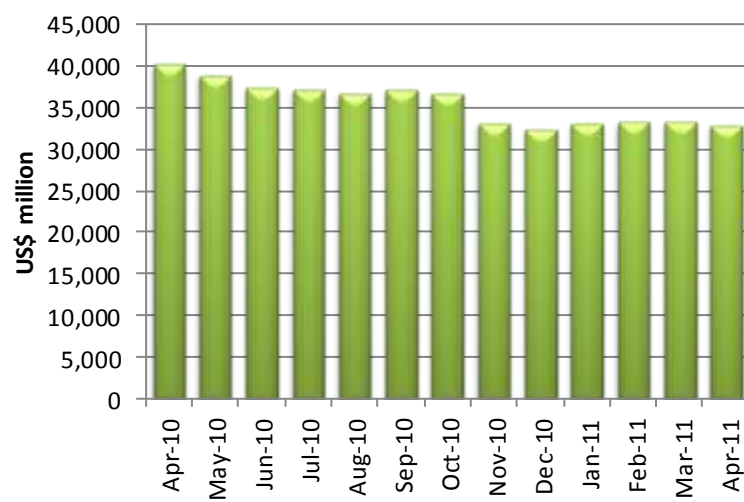


Table 16: Gross External Reserves (US\$ million)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
External Reserves	40,305.92	38,815.79	37,468.44	37,155.19	36,769.65	34,589	33,597	33,059.30	32,339.30	33,131.80	33,246.10	33,221.80	32,866.93

6.0 *Other International Economic Developments and Meetings*

World crude oil output in April 2011 was estimated at 88.6 million barrels per day (mbd), while demand was estimated at 87.5 million barrels per day (mbd), representing an excess supply of 1.10 mbd, compared with 89.05 and 86.37 mbd supplied and demanded, respectively, in the preceding month. The Organization for Economic Co-operation and Development (OECD) countries remained the key contributors to the increase in world crude oil demand, led by Europe and parts of North America as well as China and other emerging economies. Following the persistent high oil price that is threatening US economic recovery, plans are underway to reduce oil imports by one third by the year 2025 and generate 80.0 per cent of the country's electricity from non-oil sources such as bio-fuels and increase domestic oil production aimed at securing its energy supply.

The African Development Bank (AfDB) proposed that policy makers in African countries, including Nigeria, should develop 'Diaspora Bond' instruments to enable citizens' resident abroad to participate in home country's financial market. A joint report titled "*Leveraging Migration for Africa: Remittance, Skills and Instruments*" jointly signed by the AfDB and World Bank inferred that Africa can potentially raise USD5-10.0 billion annually in Diaspora Bonds, which can further improve access of African banks to international capital markets.

Other major international economic developments and meetings of relevance to the domestic economy during the review month included the 2011 Spring Meetings of the Board of Governors of the World Bank Group and the International Monetary Fund (IMF) held in Washington DC from April 11-17, 2011. Other meetings, seminars, conferences and events were held

on the fringes of the Spring Meetings. The ministers of the Inter-governmental Group of 24 (G-24), the International Monetary and Finance Committee and the Development Committee discussed a number of issues relating to the global economy, surveillance, capital flows, reform of the Bretton Wood Institutions (BWIs), climate finance and post-crisis growth.

In particular, the meetings noted the following:

- That the rates of recovery among nations varied with unemployment remaining high and growth being sluggish in most advanced countries. Areas of concern that continue to account for sluggish growth in these economies included: weak financial systems, rapid increase in sovereign debt and debt sustainability issues in the Euro area;
- That the use of quantitative easing by advanced economies to support recovery had contributed to a surge in capital flows, leading to increased risks to financial stability and exchange rate pressures in many emerging markets;
- That most commodity prices had overshot their peak levels of 2008 and called for actions to deal with immediate consequences of food and energy price increase; and to address the long-standing impediments to food and energy security.
- The meeting also noted that recent events in some countries in the Middle East and North Africa (MENA) would have long-lasting social and economic effects that may spill over to other countries. It therefore underscored the importance of IMF and World Bank to proactively respond to the developmental needs of MENA countries by providing adequate and timely programme support and policy advice for job creation, especially for

women and the youth; develop social safety nets, as well as, scaling-up of resources for the region's economic and developmental challenges; and

- The Development Committee welcomed the timely World Bank Group (WBG) and IMF engagement and advice, including programme and policy supports for jobs, social safety nets, fiscal management, governance and promotion of private sector development. They also welcomed the unprecedented sixteenth replenishment of the International Development Association (IDA) and the approval of the International Bank for Reconstruction and Development (IBRD) capital increase. The meeting, further, expressed sympathy to the people and government of Japan in view of recent earthquake and tsunami.

In a related development, the G-20 met ahead of the IMF/World Bank Spring meetings in Washington DC to deliberate on post-crisis growth. The meeting noted with concern that the US, China and five other large economies would face deeper scrutiny from their peers to ensure their policies do not derail a global expansion that could be strong enough to absorb recent shocks. According to the meeting, the seven aforementioned countries have a GDP greater than 5.0 per cent of that of the group of 20 countries, and so carry 'the greater potential for spill-over effects'.

In a communiqué issued at the end of the meeting, plans and approaches for monitoring potential economic risks in all members of the G-20 were adopted. These included:

- Estimating a country's imbalances using economic models specific to that country;
- Examining a country's imbalances relative to their national historical trends;

- Comparing a country's imbalances with groups of similar countries; and
- Comparing a country's imbalances with the G-20.

Finally, the Economic Community of West African States (ECOWAS), West African Monetary Agency (WAMA) and the West African Monetary Institute (WAMI) joint Multilateral Surveillance Mission to Nigeria was conducted from April 4 - 8, 2011. The purpose of the Mission was to assess performance in 2010 on the Macroeconomic Convergence Criteria as well as policy harmonization and institutional framework required for the establishment of economic and monetary union in the ECOWAS region.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Apr 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar-11	Apr-11
Domestic Credit (Net)	8,527.03	9,547.26	8,708.55	8,685.74	8,136.02	7,854.70	8,656.52
<i>Claims on Federal Government</i>	(1,552.19)	(1,201.12)	(1,121.80)	(730.97)	(1,072.27)	(1,571.84)	(720.02)
Central Bank (Net)	(3,424.02)	(2,976.07)	(2,884.03)	(2,823.21)	(2,965.98)	(3,401.44)	(2,544.34)
Banks	1,871.82	1,774.95	1,762.21	2,092.24	1,923.72	1,829.61	1,824.32
<i>Claims on Private Sector</i>	10,079.23	10,748.38	9,830.34	9,416.71	9,178.29	9,426.54	9,376.54
Central Bank	389.08	683.58	632.17	532.56	424.37	437.51	447.45
Banks	9,690.15	10,064.78	9,198.17	8,884.15	8,753.92	8,989.03	8,929.09
<i>Claims on Other Private Se</i>	9,734.63	10,382.73	9,460.53	9,025.66	8,822.74	9,049.77	9,012.35
Central Bank	375.83	683.58	632.17	532.56	424.37	437.51	447.45
Banks	9,358.80	9,699.15	8,828.36	8,493.10	8,398.37	8,612.26	8,564.89
<i>Claims on State and Local</i>	331.35	365.65	369.81	391.04	355.55	376.77	364.19
Central Bank	-	-	-	-	-	-	-
Banks	331.35	365.65	369.81	391.04	355.55	376.77	364.19
<i>Claims on Non-financial Pu</i>	-	-	-	-	-	-	-
Central Bank	-	-	-	-	-	-	-
Banks	-	-	-	-	-	-	-
Foreign Assets (Net)	7,008.86	6,453.96	6,506.62	6,400.55	6,725.50	6,988.07	6,274.53
Central Bank	5,941.83	5,226.46	5,372.29	5,217.35	5,497.68	5,722.80	4,908.46
Banks	1,067.03	1,227.50	1,134.33	1,183.20	1,227.82	1,265.28	1,366.08
Other Assets (Net)	(4,563.40)	(4,539.01)	(3,689.63)	(3,524.76)	(3,265.85)	(3,189.15)	(3,032.09)
Total Monetary Assets (M2)	10,972.49	11,224.78	11,525.53	11,561.52	11,595.67	11,653.62	11,898.96
Quasi-Money 1/	5,929.20	5,968.89	5,954.26	5,994.45	6,206.54	6,229.11	6,282.33
Money Supply (M1)	5,043.29	5,255.89	5,534.45	5,545.79	5,365.63	5,534.45	5,545.79
<i>Currency Outside Banks</i>	831.29	880.86	1,082.19	1,033.34	1,025.02	1,082.18	1,033.34
<i>Demand Deposits 2/</i>	4,211.99	4,375.02	4,452.27	4,512.46	4,340.61	4,452.27	4,512.46
Total Monetary Liabilities (M2)	10,972.49	11,224.78	11,525.53	11,561.52	11,595.67	11,653.62	11,898.96
Memorandum Items:	-	-	-	-	-	-	-
Reserve Money (RM)	1,516.54	1,344.32	1,845.71	1,694.88	1,821.39	1,705.92	1,696.69
<i>Currency in Circulation (CIC)</i>	1,072.61	1,125.39	1,378.13	1,340.43	1,336.81	1,416.38	1,492.73
<i>DMBs Demand Deposit with CB</i>	443.94	218.92	467.58	354.45	484.58	289.54	203.96

1/ Quasi-money consist of Time, Savings and Foreign Currency Deposit at Deposit Money Banks excluding Takings from Discount Houses.

2/ Demand Deposits consists of State, Local and Parastatals Deposits at CBN, State, Local Government and Private Sector Deposits as well as Demand Deposits of non-financial Public Enterprises at Deposit Money Banks.

Table A2: Money and Credit Aggregates (Growth Rates)

	Apr-10	Oct-10	Nov-11	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
Domestic Credit (Net)	7.7	19.7	27.4	10.2	-0.3	-6.6	-9.8	-0.6
<i>Claims on Federal Government (Net)</i>	32.6	53.4	51.8	51.3	34.8	7.1	-40.1	35.8
<i>Claims on Private Sector</i>	-1.4	3.2	7.6	-3.8	-4.2	-6.6	-4.1	-4.6
<i>Claims on Other Private Sector</i>	-1.6	2.6	7.2	-4.4	-4.6	-6.7	-4.3	-4.7
<i>Claims on State and Local Government</i>	6.8	24.0	20.8	19.2	5.7	-3.9	1.9	-1.5
<i>Claims on Non-financial Public Enterprises</i>								
Foreign Assets (Net)	-7.7	-17.7	-15.4	-14.3	-1.6	3.4	7.4	-3.6
Other Assets (Net)	3.5	5.2	-0.1	22.0	4.5	11.5	13.6	17.8
Total Monetary Assets (M2)	1.9	4.3	8.8	7.0	0.3	0.6	1.1	3.2
Quasi-Money 1/	2.9	2.2	6.4	3.3	0.7	4.2	4.6	5.5
Money Supply (M1)	0.5	6.6	11.7	11.1	-0.1	-3.3	-2.6	0.8
<i>Currency Outside Banks</i>	-10.1	-5.6	4.8	-13.1	-4.5	-5.3	2.8	5.4
<i>Demand Deposits 2/</i>	1.1	9.4	13.2	1.9	1.0	-2.8	-4.0	-0.3
Total Monetary Liabilities (M2)	1.8	4.3	8.8	6.9	0.3	0.6	1.1	3.2
Memorandum Items:								
Reserve Money (RM)	-8.3	-3.5	4.7	11.6	-8.1	-1.34	-7.6	-8.1
<i>Currency in Circulation (CIC)</i>	-9.2	-2.4	10.7	16.6	-2.7	-3	2.8	8.3
<i>DMBs Demand Deposit with CBN</i>	-6.0	-39.6	-18.8	-1.0	-24.19	3.53	-38.1	-56.4
	Growth over Preceding Month (%)							
Domestic Credit (Net)	1.5	1.6	0.9	-8.8	-0.3	-6.3	-3.5	10.2
<i>Claims on Federal Government (Net)</i>	5.9	-4.7	-11.8	6.6	34.8	-42.6	-50.8	54.2
<i>Claims on Private Sector</i>	0.3	1.9	2.0	-8.5	-4.2	-2.5	2.7	-0.5
<i>Claims on Other Private Sector</i>	0.2	1.6	2.3	-8.9	-4.6	-2.3	2.6	-0.4
<i>Claims on State and Local Government</i>	3.0	12.8	-4.9	1.1	5.7	-9.1	6.0	-3.3
<i>Claims on Non-financial Public Enterprises</i>								
Foreign Assets (Net)	-3.3	-3.2	1.3	2.8	-1.6	5.1	3.9	-10.2
Central Bank	17.4	-4.3	3.6	2.2	-2.9	5.4	4.1	-14.2
Banks	28.0	1.7	-8.2	-1.7	4.3	3.8	3.1	8.0
Other Assets (Net)	1.4	1.2	5.5	22.0	4.5	7.4	2.4	4.9
Total Monetary Assets (M2)	-1.9	0.0	-0.7	0.9	0.3	0.3	0.5	2.1
Quasi-Money 1/	-2.1	-1.3	-0.4	1.5	0.7	3.5	0.4	0.9
Money Supply (M1)	1.6	1.5	-1.1	5.6	-0.1	-3.2	0.7	3.5
<i>Currency Outside Banks</i>	-0.3	-0.7	1.9	1.3	-4.5	-0.8	8.6	2.6
<i>Demand Deposits 2/</i>	1.9	1.9	-1.7	0.7	1.0	-3.7	-1.2	3.8
Total Monetary Liabilities (M2)	-0.5	0.0	-0.7	3.4	0.3	0.3	0.5	2.1
Memorandum Items:								
Reserve Money (RM)	-0.2	7.0	0.9	8.1	-8.1	7.43	-6.3	-0.6
<i>Currency in Circulation (CIC)</i>	-1.3	2.5	6.5	1.2	-2.7	-0.27	6.0	5.4
<i>DMBs Demand Deposit with CBN</i>	38.7	30.3	-21.7	23.4	-24.19	36.57	-40.2	-29.6

Table A3: Federal Government Fiscal Operations (₦ billion)

Table: Federal Government Fiscal Operations (₦ Billion)

	Apr-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
Retained Revenue	246.3	190.4	194.8	294.6	198.0	193.4	190.6	193.0
<i>Federation Account</i>	112.4	173.1	172.7	172.8	165.2	167.1	171.9	168.8
<i>VAT Pool Account</i>	7.4	7.0	5.8	6.4	6.8	7.5	7.1	8.9
<i>FGN Independent Revenue</i>	39.6	5.2	5.9	52.8	10.6	13.5	11.6	11.9
<i>Excess Crude</i>	0.0	0.0	0.0	62.5	6.8	4.8	0.0	3.4
<i>Others</i>	86.9	5.1	10.5	0.0	8.5	0.5	0.1	0.0
Expenditure	158.9	292.1	256.7	408.9	317.9	286.5	327.5	310.6
<i>Recurrent</i>	154.8	224.4	212.6	327.7	239.2	230.4	184.8	218.1
<i>Capital</i>	4.0	43.3	44.1	43.3	77.1	33.3	85.6	65.3
<i>Transfers</i>	9.2	24.5	13.8	13.8	1.7	22.8	57.1	27.2

